



North Dakota REV-E-NEWS

**From Rod Backman, Director
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As of the end of April, the estimated ending balance for the 1997-99 biennium is \$53.7 million, which is \$2 million higher than the estimate made at the end of the legislative session.

Although inflation has increased recently, WEFA still expects low inflation throughout the year. WEFA also expects a small gain in after-tax corporate profits of 1.1 percent this year before declining in

2000.

North Dakota's unemployment rate in April was 2.7 percent, which was slightly up from the March unemployment rate of 3.3 percent. The national unemployment rate for April was 4.3 percent. The largest employment gains over the last year have been finance, insurance and real estate, followed by services and wholesale trade.

Revenue Variances

Sales tax collections in April exceeded the revised revenue forecast by \$516,025 or 2.4%. Biennium-to-date sales tax collections are \$711,258 ahead of the biennium-to-date projections based on the new legislative forecast.

Motor vehicle excise tax collections were \$27,429 or 0.7 percent ahead of the projections and biennium-to-date collections are \$208,676 below the revised legislative projections.

Individual income tax collections fell \$2.9 million or 6.9 percent below projections for April. The shortfall was caused by an unusually large amount of refund requests during the month of April. Biennium-to-date collections are \$501,196 or 0.2 percent behind the most recent projections.

Corporate income tax collections fell behind the revised projections by \$205,282 or 1.9 percent. Biennium-to-

date collections are now \$1.6 million or 1.5 percent ahead of the revised projections.

Financial Institutions tax collections exceeded the revised revenue projections for April by \$976,289 or 60.3 percent. Biennium-to-date collections are now \$1.4 million or 27.8 percent over the revised biennium-to-date projections. Increased collections from the financial institutions are the result of the strength in that industry.

Insurance premium tax collections for the month show a negative amount of \$59,011, which is due to some rather large refund requests from insurance companies. Biennium-to-date collections are \$1.3 million behind projections due to the Insurance Department issuing refunds to companies in order to eliminate credits that had been carried for some time.

Oil Activity

Oil production in February averaged 90,972 barrels per day and preliminary estimates by the Oil and Gas Division of the Industrial Commission show an average of 90,540 barrels per day for March. As a result of the increased price of oil, some of the marginal wells are now

being returned to production rather than idled.

The current price of oil is approximately \$13 per barrel. Two rigs are now drilling in North Dakota compared with 13 one year ago.

REVISED LEGISLATIVE FORECAST

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS 1997-99 BIENNIUM APRIL, 1999

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	1999 Revised Legislative Forecast	Actual	Variance	Percent	1999 Revised Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 21,276,000.00	\$ 21,792,025.25	\$ 516,025.25	2.4%	\$ 513,974,221	\$ 514,685,479.37	711,258.37	0.1%
Motor Vehicle Excise Tax	3,797,000.00	3,824,429.00	27,429.00	0.7%	86,372,643	86,163,966.14	(208,676.86)	-0.2%
Individual Income Tax	42,809,000.00	39,841,673.25	(2,967,326.75)	-6.9%	333,461,716	332,960,520.00	(501,196.00)	-0.2%
Corporate Income Tax	10,780,000.00	10,574,717.47	(205,282.53)	-1.9%	103,812,025	105,418,633.70	1,606,608.70	1.5%
Insurance Premium Tax	303,000.00	(59,011.44)	(362,011.44)	-119.5%	29,582,025	28,244,679.12	(1,337,345.88)	-4.5%
Business Priv./Financial Inst.Tax	1,619,000.00	2,595,289.00	976,289.00	60.3%	5,056,325	6,464,434.25	1,408,109.25	27.8%
Oil & Gas Production Tax	841,000.00	929,430.30	88,430.30	10.5%	24,075,940	24,271,119.22	195,179.22	0.8%
Gaming Tax	812,000.00	943,656.63	131,656.63	16.2%	20,349,000	20,557,581.06	208,581.06	1.0%
Interest Income	493,000.00	611,368.86	118,368.86	24.0%	15,389,000	15,599,064.21	210,064.21	1.4%
Oil Extraction Tax	510,000.00	521,005.40	11,005.40	2.2%	15,147,218	15,290,812.89	143,594.89	0.9%
Cigarette and Tobacco Tax	1,650,000.00	1,722,879.55	72,879.55	4.4%	41,110,602	40,878,208.78	(232,393.22)	-0.6%
Departmental Collections	950,000.00	790,513.66	(159,486.34)	-16.8%	31,127,343	30,618,836.46	(508,506.54)	-1.6%
Wholesale Liquor Tax	395,254.00	429,088.97	33,834.97	8.6%	9,607,369	9,656,517.79	49,148.79	0.5%
Coal Severance Tax	1,011,000.00	1,049,165.98	38,165.98	3.8%	20,848,648	20,891,634.47	42,986.47	0.2%
Coal Conversion Tax	1,015,000.00	1,041,698.35	26,698.35	2.6%	21,683,623	21,988,835.92	305,212.92	1.4%
Mineral Leasing Fees	200,000.00	175,542.07	(24,457.93)	-12.2%	6,957,000	6,853,346.31	(103,653.69)	-1.5%
Bank of North Dakota - Transfer					29,600,000	29,600,000.00	0.00	0.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer	141,109.00	141,109.00			1,128,872	1,128,872.00	0.00	0.0%
Other Transfers		2.06	2.06	100.0%	33560081	33,576,906.14	16,825.14	0.1%
Total Revenues and Transfers	88,602,363.00	86,924,583.36	(1,677,779.64)	-1.9%	1,342,843,651.00	1,344,849,447.83	2,005,796.83	0.1%

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
1997-99 BIENNIUM
APRIL, 1999

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	Apr-97 Legislative Forecast	Actual	Variance	Percent	Apr-97 Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 21,649,000.00	\$ 21,792,025.25	143,025.25	0.7%	\$ 517,385,000.00	\$ 514,685,479.37	(2,699,520.63)	-0.5%
Motor Vehicle Excise Tax	4,094,880.00	3,824,429.00	(270,451.00)	-6.6%	89,976,660.00	86,163,966.14	(3,812,693.86)	-4.2%
Individual Income Tax	40,503,840.00	39,841,673.25	(662,166.75)	-1.6%	309,685,420.00	332,960,520.00	23,275,100.00	7.5%
Corporate Income Tax	9,620,100.00	10,574,717.47	954,617.47	9.9%	81,369,900.00	105,418,633.70	24,048,733.70	29.6%
Insurance Premium Tax	95,000.00	(59,011.44)	(154,011.44)	-162.1%	29,640,000.00	28,244,679.12	(1,395,320.88)	-4.7%
Business Priv./Financial Inst. Tax	772,000.00	2,595,289.00	1,823,289.00	236.2%	3,433,600.00	6,464,434.25	3,030,834.25	88.3%
Oil & Gas Production Tax	1,477,549.00	929,430.30	(548,118.70)	-37.1%	31,250,470.00	24,271,119.22	(6,979,350.78)	-22.3%
Gaming Tax	650,000.00	943,656.63	293,656.63	45.2%	20,316,000.00	20,557,581.06	241,581.06	1.2%
Interest Income	394,000.00	611,368.86	217,368.86	55.2%	12,168,000.00	15,599,064.21	3,431,064.21	28.2%
Oil Extraction Tax	681,660.00	521,005.40	(160,654.60)	-23.6%	21,381,020.00	15,290,812.89	(6,090,207.11)	-28.5%
Cigarette and Tobacco Tax	1,823,200.00	1,722,879.55	(100,320.45)	-5.5%	41,615,700.00	40,878,208.78	(737,491.22)	-1.8%
Departmental Collections	950,000.00	790,513.66	(159,486.34)	-16.8%	25,000,000.00	30,618,836.46	5,618,836.46	22.5%
Wholesale Liquor Tax	471,159.00	429,088.97	(42,070.03)	-8.9%	9,701,801.00	9,656,517.79	(45,283.21)	-0.5%
Coal Severance Tax	1,012,680.00	1,049,165.98	36,485.98	3.6%	20,623,200.00	20,891,634.47	268,434.47	1.3%
Coal Conversion Tax	952,400.00	1,041,698.35	89,298.35	9.4%	21,966,200.00	21,988,835.92	22,635.92	0.1%
Mineral Leasing Fees	200,000.00	175,542.07	(24,457.93)	-12.2%	4,400,000.00	6,853,346.31	2,453,346.31	55.8%
Bank of North Dakota - Transfer					29,600,000.00	29,600,000.00	0.00	0.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer	141,109.00	141,109.00			1,128,872.00	1,128,872.00	0.00	0.0%
Other Transfers		2.06	2.06	100.0%	32,094,725.00	33,576,906.14	1,482,181.14	4.6%
Total Revenues and Transfers	85,488,577.00	86,924,583.36	1,436,006.36	1.7%	1,302,736,568.00	1,344,849,447.83	42,112,879.83	3.2%

General Fund Revenue Forecast 1999-01

Sales and Use Tax	\$	638,197,500	41.08%
Motor Vehicle Excise Tax		104,194,400	6.71%
Individual Income Tax		382,212,520	24.60%
Corporate Income Tax		108,223,000	6.97%
Financial Institutions Tax		5,162,000	0.33%
Cigarette and Tobacco Tax		42,544,000	2.74%
Oil and Gas Production Tax		22,817,000	1.47%
Oil Extraction Tax		13,885,000	0.89%
Coal Severance Tax		22,346,000	1.44%
Coal Conversion Tax		24,555,000	1.58%
Insurance Premium Tax		35,830,000	2.31%
Wholesale Liquor Tax		10,388,473	0.67%
Gaming Tax		22,685,000	1.46%
Departmental Collections		39,102,394	2.52%
Interest Income		15,300,200	0.98%
Mineral Leasing Fees		4,915,680	0.32%
Gas Tax Administration		1,380,608	0.09%
Mill & Elevator Profits		3,000,000	0.19%
Bank of North Dakota Profits		50,000,000	3.22%
Other Transfers		6,850,000	0.44%
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TOTAL	\$	1,553,588,775	100.00%

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Comments or Questions???

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